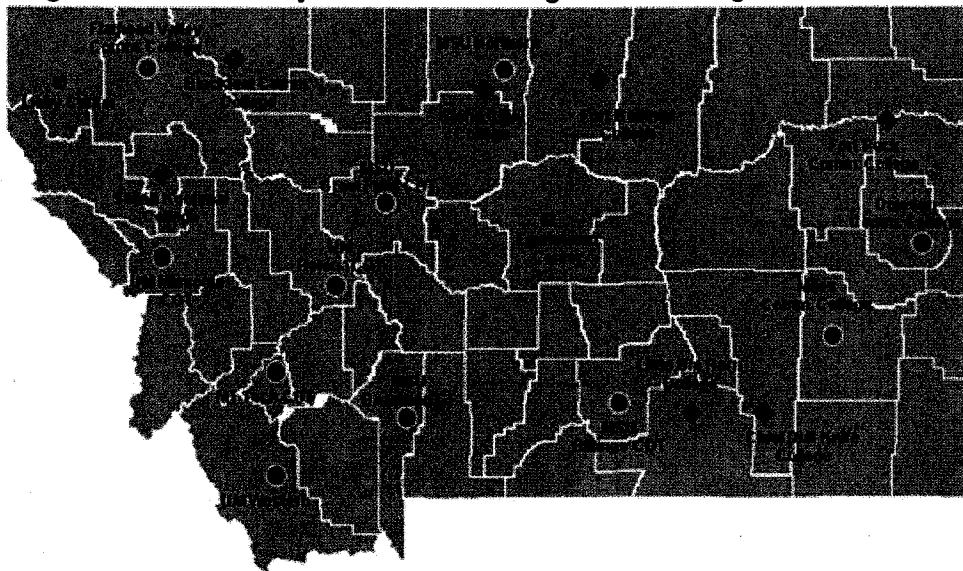


## Context for the Decision on the Authorization of a New Community College District

*Provided by the Office of the Commissioner of Higher Education (OCHE)*

- 1. Abundance of Two-Year Colleges in Montana.** Montana currently has fifteen two-year colleges (three community colleges, seven tribal colleges, and five colleges of technology. In addition, two-year education programming is provided at five other Montana sites (MSU-Northern in Havre, UM-Western in Dillon, the MSU-Great Falls extension at MSU, the Lincoln County Service Region of Flathead Valley Community College, and the Central Montana Education Center in Lewistown).

**Figure 1-1. Availability of Two-Year Colleges and/or Programs in Montana**



- 2. Expense to State.** Although community colleges and colleges of technology are more affordable postsecondary choices for students in Montana, two-year education can be costly to provide. The table below presents the costs per full-time equivalent student at Montana's public two-year colleges in FY 2009. Community colleges are the most expensive of the existing models to fund.

**Direct and Indirect Costs of Education (Source: MUS Operating Budgets, FY09)**

COSTS	Integrated COT	Stand Alone COTs		Community Colleges		
	UM-COT	UM-H	MSU-GF	Dawson CC	FVCC	Miles CC
Direct	\$3,984	\$4,952	\$5,507	\$6,060	\$4,475	\$5,839
Indirect	1,694	2,725	2,401	3,887	3,733	5,511
Total	\$5,678	\$7,677	\$7,908	\$9,948	\$8,208	\$11,350

*Note: direct costs = instruction, academic support, & fee waivers; indirect costs = student support, institutional support, & O&M*

- 3. Increasing impact on general fund over time.** As the table below documents, the trends of the last 17 years demonstrate that over time the operations budget of a new community college is likely to increase significantly. The impacts on the general fund, as the largest revenue source for community colleges' operating budgets, is substantial.

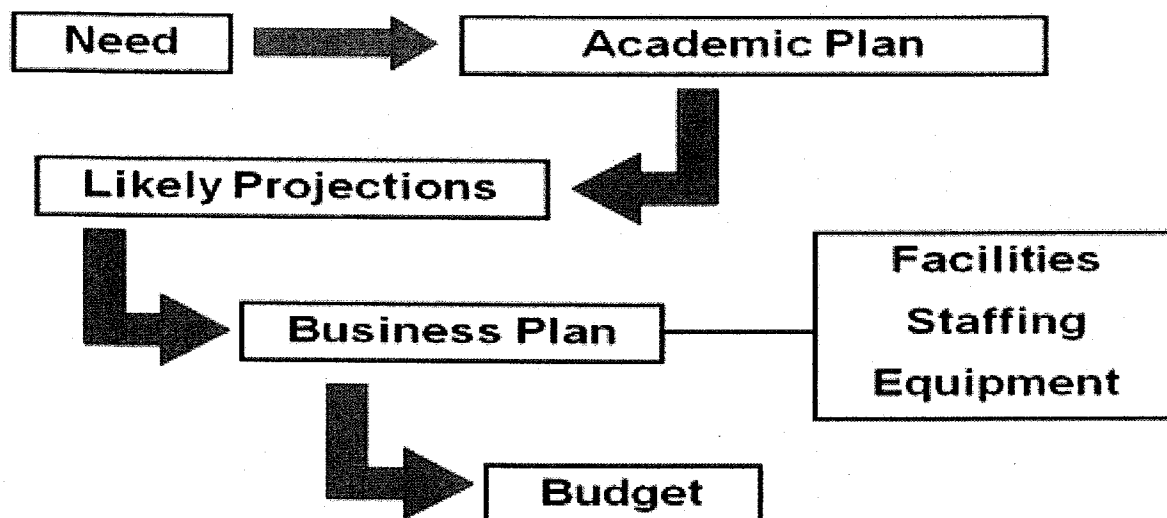
**Community College Revenues and State/Local Share FY92-FY09 (Source: MUS Operating Budgets)**

	FY1992 Revenues	FY2009 Budgeted Revenues	Increase Rate	State Share of FY09 Budgeted Rev.	Local Share of FY09 Budgeted Rev.
Dawson CC	\$1,672,291	\$3,591,855	2.15 x	52.7%	22%
Miles CC	\$2,218,442	\$5,118,807	2.3 x	44.1%	16.5%
FVCC	\$4,084,250	12,198,068	2.99 x	45.2%	20.5%

*Note: Local share reflects the mandatory levy only. Other local support in the form of retirement levy, etc. is included in total revenues, but is not included in the local share percentage calculation.*

- 4. Problems with the Business Plan.** Planning and implementing academic programs involves a process that ensures the business plan reflects assessed needs and projected enrollments, meets accreditation standards, and identifies and allocates resources effectively. A carefully crafted implementation plan is especially important for new or extended programming because an established infrastructure is not in place. Figure 3-1 below diagrams the appropriate process for creating an academic plan and a business plan, ultimately establishing a budget.

Figure 3-1. Process for Developing an Academic Plan, Business Plan, and Budget



- a. **Needs Assessment.** (Source: BVCC-E, October 2008). The BVCC-E conducted an online survey to identify programming needs. At the time they responded to OCHE's information request, the table below presents the needs identified through that process.

Most Frequently Requested "For-Credit" Course Requests	Most Frequently Requested "Non-Credit" Courses
Transfer	Personal Enrichment
Science (24 requests)	The Arts (21)
English (11 requests)	Life Skills (9)
The Arts (9) requests	Recreation (8)
Workforce Preparation	Workforce-related
Healthcare (24 requests)	Computer skills (27)
Business (22 requests)	
Agriculture/resources (21 requests)	

- b. **Academic Plan.** The academic plan submitted to the Regents was a tentative one, but the following programs were projected for start-up in Fall 2009. It is unclear whether they would respond to workforce needs in Ravalli County. All of the programs are currently available at UM COT.

Transfer Mission	Workforce Preparation Mission
General education transfer core	Computer/information services
Online general education offerings	Construction
	Business management
	Healthcare

**5. Historical Lack of Demand for Programming Offered Locally.** Efforts over an extended period of time by UM and its COT to identify and address higher education needs in Ravalli County have failed to generate significant enrollments there:

- Prior to 2003, computer literacy courses and general education courses were offered in the evenings; only the computer courses filled. Associate of Arts programming was also offered; enrollments were insufficient to sustain the effort.
- In 2003-2004, computer labs in Hamilton High School were set up to accommodate Ravalli County residents' ability to take courses online. No one used this service and it was discontinued.
- In Fall 2006, Lab Tech courses were offered to support local industry in Ravalli County. Although initially well-subscribed, demand dwindled. In 2008, the industry indicated its needs had been met and the courses were discontinued.
- Between Summer 2007 and Fall 2008, UM offered 33 courses at Hamilton Higher Education Center, Including two-year college courses. Of the 33 courses offered by UM at the HHEC during that time period:
  - only 2 courses have enrolled more than 11 students;
  - 9 classes had to be canceled for insufficient enrollment; and
  - 7 classes were offered with fewer than 5 Ravalli County students in the class.

**6. Commuter and Online Enrollments.** Although Montana's two-year colleges serve a primarily local market, students who commute and students who take courses online are a significant portion of many two-year college's enrollments. Currently at MSU-Great Falls, for instance:

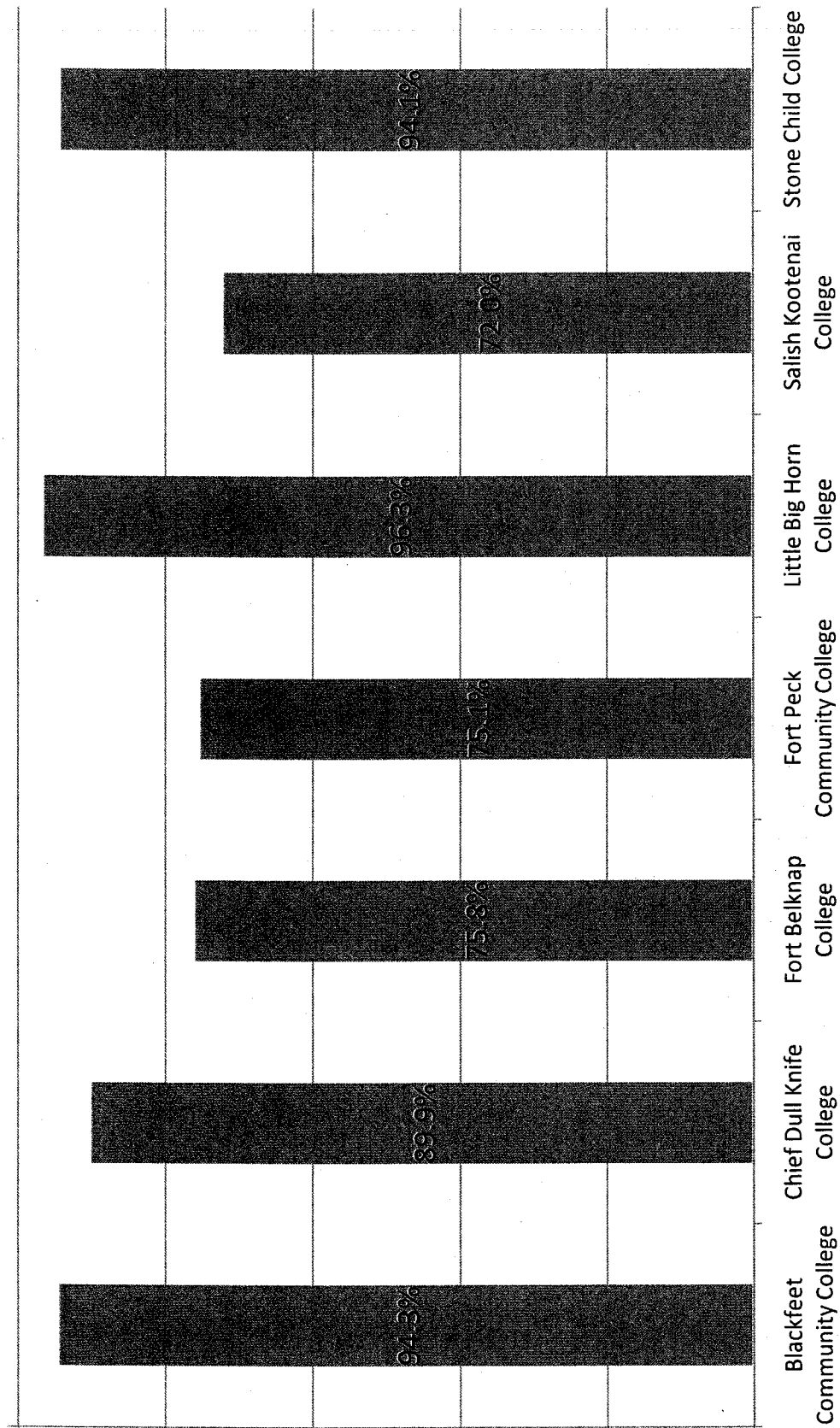
- Cascade County Enrollments: 51.8%
- Gallatin County Enrollments: 9.9%

Nearly 40% of the college of technology's enrollments come from students who either commute to campus or take courses online.

**7. The Non-beneficiary Gap at Montana's Tribal Colleges.** The most recent national data for American Indian Enrollments at Montana's tribal colleges indicates that, *at a minimum*, the percentage of non-beneficiary students the tribal colleges are educating ranges from 4% - 28%, with 10% the median percentage. (See back of this page.)

# American Indian Enrollments at Tribal Colleges

Percent Distribution, Fall 2007



## AUTHORIZE A NEW COMMUNITY COLLEGE? POINTS TO CONSIDER

### Why the Regents Said NO – and Why Legislators Should

- **Montana already has 15 two-year colleges** and 5 extension sites offering two-year degrees.
- **One of these two-year colleges** (UM Missoula COT) already offers every program being considered for the BVCC and **is located only 50 miles away**. The equipment, faculty, and accreditation requirements for these programs are unusually expensive (science labs, healthcare faculty, construction equipment), and shouldn't be duplicated unless sharing is not feasible.
- BVCC advocates claim that commuting 50 miles to Missoula is an extraordinary obstacle. If so, **dealing with the transportation issue is a far better solution** than creating a 16<sup>th</sup> two-year college. It is worth noting that 1 out of 4-5 residents of the Bitterroot Valley already commute to Missoula daily for work, so a transportation solution could address two problems at once.
- **In collaboration with the legislature and the governor, the BOR has set college affordability and system efficiency as policy goals.** The two goals go hand in hand. Devoting additional state resources to a new two-year college means making substantial investments in infrastructure and personnel that will increase over time.
  - Accreditation of a new college requires investments in certain kinds of administration, professional staff, and faculty for autonomous institutions that wouldn't be necessary if we pursued a collaborative solution. Making these investments is particularly difficult to support when a thriving two-year college is so near.
  - Since 1994, the community college operating budgets have more than doubled; one has nearly tripled. The average cost of education per student at community colleges is significantly more expensive than it is at colleges of technology.
  - Although BVCC is not requesting funding for this biennium, the statutory formula required in HB2 will require that BVCC be funded in the next biennium.
- **The duplication of resources that adding a new community college requires will exact a price from students and taxpayers throughout the state.** Right now in the Education Subcommittee of Appropriations, the following programs are struggling to be funded *without the added expense of a new community college pulling resources from the general fund*:
  - Maintaining slots for the WWAMI and WICHE programs that provide a cost-effective way for Montana to "grow" physicians, dentists, and veterinarians

- Funding for tribal colleges to subsidize the education they provide for non-beneficiary students, which is not a constitutional obligation, but is an ethical one
- Restoring the O&M funding (totaling nearly \$1.2 million) for the Colleges of Technology in Great Falls and Billings to support the new facilities funded by previous legislatures and now operations. O&M funding has traditionally been part of budgets for new facilities.
- Funding the community colleges at a level that will allow them to freeze tuition.
- Funding Montana's four-year colleges at a level that will allow them to be price-sensitive to non-resident students and resident students alike.

Can we be certain that these struggles will abate by the next biennium AND that we can add a new community college to the list of funding requests?

- With all the potential that 21<sup>st</sup>-century technologies, transparent transfer, seamless K-12/college pathways, and collaborative approaches bring to the higher education environment, duplicating programs and services through the infrastructure-intensive addition of a new college (whether two-year or four-year) is unnecessary and unwise.

### **There Are Viable Alternatives**

Although the Regents could not support a new community college in Ravalli County, they have unanimously committed to identify and respond to the needs for postsecondary education in Ravalli County. The alternative they envision responds to Ravalli County's desire for a local higher education presence in an effective and efficient way:

- It's collaborative and community-driven.
- It makes use of UM's resources and proximity, but allows the community to choose programs from throughout the system.
- It relies on the offerings of Montana's two-year colleges and the advances in technology to bring a broad range of programming to the Bitterroot Valley.

## **CONCLUSION: BOARD OF REGENTS' RECOMMENDATION**

### **Context**

In August 2008, the Office of the Commissioner of Higher Education (OCHE) began the process of requesting and compiling information related to the Board of Regents' recommendation on the approval of a new community college district in Ravalli County. On November 15, 2008, OCHE posted its written analysis of the information and issues related to the recommendation. On November 20, 2008, the Board of Regents heard testimony and discussed the OCHE analysis on the proposed new community college district as a priority item on its agenda, devoting the majority of that day's meeting to the matter. The Deputy Commissioner of Two-Year Education presented a summary of the written analysis to the Board of Regents. Then the seven trustees-elect and alternate trustee-elect of the proposed new community college district each made a presentation to the Board. Thereafter, the Board received oral testimony from 21 persons, almost all of whom testified in favor of the creation of a new community college district in Ravalli County. Between November 20 and December 1, 2008, the Board received additional written commentary from the Bitterroot Valley Community College Effort (BVCC-E) and numerous other interested individuals.

Having read the report in its entirety, listened to the presentations and testimony on November 20, and reviewed the written commentary and correspondence sent to the Board on this issue, the Board of Regents concludes the following:

- With 15 two-year colleges currently operating in Montana, one of which is only 50 miles away from the center of the proposed new community college district, devoting additional state resources to a new two-year college is difficult to support.
- With all the potential that 21<sup>st</sup>-century technologies, transparent transferability, seamless K-12/college pathways, and collaborative approaches bring to the higher education environment, replicating an infrastructure-intensive 20<sup>th</sup>-century model seems unnecessary and unwise.

Primarily for these reasons, the Board of Regents cannot in good conscience recommend approval of a new community college district in Ravalli County. Even if the addition of a new community college district were otherwise supportable, the needs assessment, academic plan, and business plan for the proposed new community college in Ravalli County do not give us the necessary confidence that the new community college, if approved, can assure students and taxpayers of the appropriate quality, efficiency, and cost-effectiveness of programs and services.

That said, several aspects of the advocacy for the new community college have merit:

- Ravalli County has a significant population base and an economy threatened by the current economic trends – a context well-suited to two-year college programming.

- Ravalli County has a unified, community-minded, and forward-thinking board of trustees-elect and supporters who have the commitment to two-year education and the understanding of community resources necessary for a higher education presence, however modeled, to succeed in Ravalli County.
- The advantages of a coordinated approach to adult education and community outreach may be considerable and should be explored through a higher education partnership with the local school districts and those entities engaged in literacy, community development, and economic development in Ravalli County.

In addition, at least two criticisms advocates make of the university system's efforts at program development in Ravalli County appear justified:

- Efforts to date have not carved out a significant role for the community itself to play in the identification, coordination, and evaluation of higher education programming in Ravalli County.
- Efforts to date have not been grounded in a strategic plan that begins with needs assessment, engages the community in a vision, and targets resources to achieve that vision.

#### **Recommendation Adopted December 4, 2008**

Therefore, the action of the Board of Regents with regard to the proposed new community college is two-pronged:

- 1) We recommend that the Montana legislature NOT approve the proposed new community college district in Ravalli County. However,
- 2) We also charge the Office of the Commissioner of Higher Education to work with the trustees-elect in Ravalli County, in consultation with representatives from the Postsecondary Education Planning and Budget Interim Subcommittee, to establish an innovative two-year education model in Ravalli County, guided by local stakeholders, supported by the infrastructure of the Montana University System and its multiple campuses, and making use of successful programs and services offered by Montana's two-year colleges.



## **CONCLUSION: OCHE STATEMENT**

This report has been a difficult one to write. The passion and commitment of the proponents of a new community college in Ravalli County are inspiring. The avid interest of state leaders in a better-utilized, better-coordinated system of two-year colleges in Montana is gratifying. Concerns about the outreach of the University of Montana to Ravalli County, real and perceived, must be addressed with more openness, energy, and effectiveness than have occurred in recent years.

At the same time, concerns about unnecessary duplication of programming and institutions in Montana higher education have justification as well. In the current financial uncertainty, concerns about the impacts of a new community college on local and state resources, now and in the future, deserve consideration. The efforts of higher education innovators to develop 21<sup>st</sup> century solutions to cutting costs in higher education and making college opportunities more affordable for all Montanans have merit as well. Inevitably, one group or another will be disappointed by the decisions on this matter that now fall to the legislature and may return to the regents.

OCHE's role is to provide the regents and the legislature with information and analyses that reflect OCHE's collective experience in developing academic programs and administering postsecondary institutions. In preparing this report, we at OCHE have attempted to be inclusive of all stake-holders, comprehensive in information-gathering, even-handed in analysis, and candid in our evaluation of the many factors entering into the regents' recommendation, the legislature's approval, and the regents' ultimate decision-making about the scope, programming, and allocation of resources for a new community college in Ravalli County.

The regents have now performed their role in the process by assimilating the information, deliberating on the issues surrounding the approval of a new community college district from the citizen's perspective, and making a recommendation to the legislature they believe is in the best interests of the students and citizens of Montana. In 2009 the Montana Legislature will decide whether or not to add another community college to the set of campuses affiliated with the Montana University System. We at OCHE understand well the difficulty of the task and whatever the legislature's decision is, we will support it.

Should the decision be to authorize a new community college, quality and sustainability should become primary considerations. Ideally, start-up should be delayed to accommodate a more thorough planning process. BVCC-E wants to build something permanent. If the new community college district they seek is approved, all stakeholders must take the steps necessary to ensure that the proper foundation is put in place.